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Ontario

Ministry of
Housing

Government
Publication

Annual Report 1978/79

including the annual report of

Ontario Housing Corporation

Ontario Student Housing Corporation

Ontario Mortgage Corporation

Ontario Land Corporation

North Pickering Development Corporation

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Minister

27 Ministry
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Annual Report

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THE HONOURABLE
PAULINE M. MCGIBBON, Q.C., LL.D., D.U. (OTT.)
Lieutenant Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

For the information of Your Honour and the
Legislative Assembly, I have the privilege
of presenting the Annual Reports of the
Ministry of Housing, Ontario Mortgage
Corporation, Ontario Land Corporation
and North Pickering Development Corporation
for the fiscal year ending March 31, 1979,
and the Annual Reports of Ontario Housing
Corporation and Ontario Student Housing
Corporation for the calendar year 1978.

Respectfully submitted,

A large, stylized handwritten signature in dark ink, reading "Claude F. Bennett".

CLAUDE F. BENNETT
Minister





Office of the
Deputy Minister

Ministry
of
Housing

Hearst Block
Queen's Park
Toronto Ontario
M7A 2K5
416/965-3411

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF HOUSING

SIR:

I have the honour to submit for your approval
the 1978/79 Annual Report of the Ministry of
Housing.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "R. M. Dillon", with a long horizontal stroke extending to the right.

R. M. Dillon
Deputy Minister



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Policy and program development secretariat

The Ministry of Housing ensures that provincial interests are reflected through a sound community planning framework, by facilitating the provision and maintenance of adequate housing and by encouraging the efficient use of lands acquired for residential, commercial and industrial development.

The secretariat initiates, directs, undertakes and co-ordinates program and policy-related research. It also monitors and ensures a ministry response to changing conditions in the housing sector.

Policy development

The policy development area evaluates and designs alternatives to ministry policies and programs to enable the ministry to pursue its goals effectively.

This group was active in several policy areas including the evaluation of various shelter, mortgage and rehabilitation programs, the preparation of *Housing Demand by Tenure in Ontario—A New Approach* and the analysis of the programs proposed under the amendments to the National Housing Act. The group also prepared and co-ordinated the ministry's regulatory reform program and prepared a submission to the Elliot Lake Environmental Assessment Board with respect to the protection of new construction from naturally-occurring radon.

Management planning and evaluation

This branch consists of a program analysis section and a surveys and statistical analysis section.

The program analysis group develops and implements the ministry's management reporting, planning and control systems; co-ordinates the ministry's multi-year budget estimates and management-by-results process; monitors program delivery systems, and evaluates their effectiveness.

The surveys and statistical analysis section provides statistical and survey research expertise for the ministry and assembles statistics required for policy development. During the year, major projects included a rental market survey conducted in eight Ontario cities to determine rent levels, rent changes and tenant perceptions concerning the quality of maintenance and services; development of a statistical model used to forecast housing demand by tenure in Ontario for the period 1976 to 1981; and the initiation of an inquiry concerning the determination of vacancy rates in Ontario. In addition, a comprehensive data file on income/shelter costs, mobility and previous housing characteristics for various Ontario centres was created from data made available by a Central Mortgage and Housing Corporation survey of housing units.

This section also administers the municipal housing statement program and related grants. In 1978/79, funds were approved for an additional 12 municipalities, bringing the total commitments to \$857,682 since the program was initiated in 1974. Payments this year totalled \$110,979, bringing total payments to \$671,807 and resulting in an outstanding program commitment of \$185,875.

Intergovernmental policy liaison

The secretariat also ensures that the ministry is aware of and responds to changing housing policy and program issues at the federal, provincial and municipal levels of government. In addition to co-ordinating the ministry's activities with respect to federal/provincial and interprovincial matters as well as the ongoing activities of the Provincial-Municipal Liaison Committee, the secretariat was the focal point for the negotiations of the federal/provincial Community Services Contribution Program agreement.

External studies

The secretariat contributed the province's annual share of the operating budget of the Intergovernmental Committee on Urban and Regional Research which provides information on issues such as planning, environmental matters and transportation to government agencies across Canada.

Affirmative action program

The affirmative action program, in 1978/79, continued efforts to make more productive systems which had been established in previous years. Managers set targets for initiatives to develop and promote women within their areas and interviewed their female employees as to their career goals. The women's co-ordinator's office evaluated branch targets and assisted in implementation plans. Stress was placed on maintaining an accurate inventory of female employees, accessing that inventory for competitions, training, special assignments and counselling. In addition, the co-ordinator's office monitored the competition process and other personnel procedures and maintained high program visibility through information sessions and input into training seminars and publications.

In addition to various status reports, the major publication in 1978/79 was entitled *Getting That Job* and concerned effective resume writing and selling oneself in an interview.

The goal of the affirmative action program is to "raise and diversify" the occupational status of women, and to date there has been moderate success in some modules and little success in others. For example, representation in the administrative module has increased from 20.1 per cent in 1975 to 29.4 per cent in 1979 and in the professional module from 5.2 per cent in 1975 to 15 per cent in 1979. However, the wage differential between males and females narrowed insignificantly and the distribution of males to females in various job categories remains fairly constant. There were individual breakthroughs by women in a number of areas.

Most managers had successful programs as they, in most cases, achieved the targets they had set. However, managers' targets and therefore their achievements have been diminishing over time. This is partially due to continuing constraints.

If the affirmative action program is to achieve significant results in the future, centrally managed programs within the ministry and within the government must be considered. Thus, future initiatives will involve incorporating affirmative action objectives into a performance appraisal system for managers, encouraging senior managers to take more responsibility for organization-wide and wing-wide activities and pressing the government for service-wide initiatives through the affirmative action council.

Finance and administration division

The finance and administration division supplies management support services to all areas of the ministry and its associated crown corporations. The division is organized into five main organizational components: financial services; computer support and systems support services; personnel and human resource services; procurement supply and associated office services activities; and the corporate secretary's office which supplies secretarial services to the boards of directors of crown corporations reporting to the ministry.

A significant activity during the year related to the completion of the development phase of the new operational financial information system (OFIS) for all organizational components of the ministry. The new system was designed to ensure one common financial information system for the ministry, along with appropriate budgetary and financial controls, would be in place to complement the ministry's stewardship responsibility for major government real estate holdings. The total value of the assets under ministry direction at year's end was in excess of \$2.7 billion.

During 1978 and the spring of 1979, 25 terminals out of a potential network of 28 were installed to serve major housing authority offices which manage Ontario Housing Corporation properties. Two major advantages accrued to the housing authorities. Firstly, in all locations throughout Ontario tenant records are now maintained locally, thereby greatly improving service to tenants. Secondly, all locations now initiate payment to suppliers of services of all kinds, thereby eliminating delays to vendor payments encountered in the past due to the centralization of accounts payable operations in Toronto.

Expansion of the system to include all ministry main office units was in progress at year's end. This will include direct connection with central government systems by means of magnetic tape records, reducing the time required to pay suppliers providing services to the ministry.

The installation of OFIS has resulted in a reduction of division clerical strength by 21 full-time staff positions.

The personnel branch continued to provide human resource services by developing and advising on policies and procedures in all aspects of personnel and payroll administration for the ministry and its crown agencies. The manpower planning and staff development section was involved in programs such as orientation, performance appraisal, retirement preparation, effective presentations, and management seminars. In addition direct support was provided to the implementation of the OFIS project; and advice was given to assist managers and other staff make more effective public presentations on topics such as community housing programs.

The personnel services section was involved in a number of ministry organization changes, including consolidation of the land development function which required major personnel administration initiatives related to job evaluation and classification, placement of surplus staff, and recruiting new skills. Other major initiatives were required in the evaluation of all management jobs to facilitate conversion to the new Ontario public service management compensation plan and the development of a manpower control system.

The staff relations section was able to reach collective agreements, within anti-inflation guidelines, through direct negotiations with the Canadian Union of Public employees for both the Metro Toronto and the provincial operations of OHC. This was the first time in several years that binding arbitration was not used.

The integrated payroll and personnel employee benefits section took steps to improve the ministry's employee information base. Also, methods were introduced to streamline and simplify the payroll services provided on a decentralized basis to housing authorities.

In addition to staffing more than 300 board and committee meetings, the corporate secretary's office handled some 420 tender openings involving some 2,200 bids. Resulting from this activity, bid and performance security held in safekeeping at the end of the year totalled more than \$245 million.

The majority of the work of the management systems branch related to the complex computer support service required for the development and implementation of the new financial information system. The branch was also responsible for the development of the first phase of an energy-consumption monitoring system for OHC. A word processing section was formed to meet the needs of the ministry and studies were under way to ensure the ministry and its crown agencies exploit the potential of this relatively new technology.

Community planning wing

The function of the community planning wing is to encourage effective community planning throughout the province. To reach this objective, the wing must ensure that regional development policies are implemented through the use of sound community planning techniques. To preserve the physical and social character of Ontario's towns and cities, the planning wing, through its community renewal branch, develops and administers programs designed to help local municipalities and their citizens maintain and improve existing housing stock and the general structure of their neighborhoods and central areas.

Plans administration division

Plans administration division (PAD) consists of three branches: subdivisions, official plans, and operations and development control, and the development co-ordination section. The division is responsible for administering a wide range of approval functions provided under the Planning Act, and issuing study and incentive grants and interest-free loans to municipalities.

Subdivisions branch

Subdivisions branch is responsible for the review and approval of plans of subdivision and condominium (except where the authority has been delegated). The branch monitors the approval function in delegated municipalities.

Official plans branch

Official plans branch evaluates and makes recommendations on applications made to the minister for official plans and amendments to official plans. The branch also evaluates and recommends the endorsement of interim land severance policies to the minister and monitors the approval of official plans and amendments by regions who have been delegated the approval function.

Operations and development control branch

The operations and development control branch carries out a variety of development control functions, including the processing of minister's consents and amendments to minister's zoning orders, commenting to the Ontario Municipal Board on zoning bylaws and handling appeals to decisions on Niagara Escarpment development permits.

The operations review section carries out a research function which includes preparation of guidelines on planning procedures, co-ordination of Ministry of Housing comments on environmental assessments and delegation of ministerial approval authority under the Planning Act.

The administrative support section provides clerical, personnel and general support services to the division as a whole.

Development co-ordination unit

The development co-ordination unit was formed April 1, 1978. The unit monitors the long-range provision of serviced land in urban areas across the province and attempts to resolve problems before they impede the even flow of land for development. Its responsibilities also include the outstanding loan and grant commitments made under the Ontario Housing Action Program. These continue to March 31, 1981.

Annual statistics fiscal 1978-79

Development grants

	1977-78	1978-79
New grants	6	1
Total grants paid	\$112,262	\$15,000
Completion or extension of grants	15	7
Total grant paid	122,292	75,319

Interest-free loans

	1977-78	1978-79
Number of loans	11	4
Total loans approved	17,892,700	1,906,000
Amount disbursed	24,366,236	20,240,101

Housing incentive grants

	1977-78	1978-79
Amount disbursed	3,750,637	586,260

Zoning

	total 1978-79	total 1977-78
Comprehensive and amending bylaws received	2,560	2,112
Comprehensive and amending bylaws commented on	2,677	2,133

Zoning orders

	total 1978-79	total 1977-78
New orders registered	1	1
Amendment applications received	288	404
Applications processed	390	988

Minister's consents

	total 1978-79	total 1977-78
Applications received	1,959	2,065
Applications finalized	1,396	1,713

Official plans

	total 1978-79	total 1977-78
Proposed official plans received	17	26
Proposed official plan amendments received	761	625
Official plans approved	25	10
Official plans partially approved	46	44
Official plan amendments approved	555	486
Official plan amendments partially approved	49	40
Official plans referred to OMB	22	11
Official plan amendments referred to OMB	104	109

Niagara Escarpment Commission

	total 1978-79	total 1977-78
Appeals received	174	209
Appeals finalized	179	209

Road adjustment bylaws

	total 1978-79	total 1977-78
Received	139	n/a
Finalized	108	92

Part lot control

	total 1978-79	total 1977-78
Received	83	n/a
Finalized	64	101

Validation

	total 1978-79	total 1977-78
Received	77	82
Finalized	83	62

Subdivision and condominium

	total 1978-79	total 1977-78
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Subdivision applications

received	610	716
Draft approval	543	618
Final approval	452	543

Condominium applications

received	74	166
Draft approval	101	229
Final approval	158	269

Submissions of delegated regions

	421	505
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Local planning policy branch

The branch is divided into three sections: policy, programs and special studies. The policy section develops and recommends general provincial policy and legislation in the community planning field. The programs section is responsible for developing policy and standards on specific local planning activities, e.g. urban residential planning and design, land use policy near airports, subdivision and development agreements, seasonal residential conversions, and urban development standards. The special studies section undertakes projects of an in-depth nature, providing the basic research requirements of the branch.

White paper on the Planning Act

The policy section provided technical and research support to the Planning Act Review Committee, whose report was released in 1977. As a follow-up, the section reviewed the 300-plus public and governmental submissions received and developed a proposed government white paper, together with new planning legislation, which will be released shortly. In addition, the current Planning Act was amended by Bill 183 in order to further improve the local planning process in the short term. Legislation also provided for metric conversion. Various technical material was prepared in order to assist municipalities, planning agencies and individuals with these changes.

Land use policy near airports

A new and more accurate system of measuring and projecting annoyance caused by aircraft noise was adopted by the ministry for use by municipalities in determining restrictions to be imposed on land use around airports.

Urban development standards

This study, originally released in 1976, demonstrated ways of reducing housing costs by lowering high planning and engineering standards applied to new subdivisions. The ministry continued to encourage municipalities to use the study proposals. A survey of actual municipal site planning and engineering standards was completed.

Site planning guidelines for medium density housing

This study provides municipalities with guidelines for assessing medium-density housing developments in terms of physical standards.

Lakeshore capacity study

The special studies section is continuing its responsibility for managing the lakeshore capacity study. This is an interministerial study with participation by the Ministries of Housing, Environment and Natural Resources. The objective of this research is to develop a predictive model, or series of models, to evaluate the impact of proposed cottage development on land and lake environments. The findings will be used in the subdivision approval process under the Planning Act.

The work focuses on the environmental impact of lakeshore development, e.g. impact on water quality, fisheries and wildlife. Since natural ecological processes are involved and field data for several summer seasons is required to provide a scientific base, the study is scheduled over a six-year period, to 1981.

Community planning advisory branch

The community planning advisory branch (CPAB) is a decentralized operation with offices in Ottawa, London, Sudbury, Thunder Bay and Toronto. It is responsible for the promotion of community planning through the provision of educational activities, direct financial and technical assistance and advisory services. To minimize duplication in the planning process, a heavy emphasis is placed on those areas without planning staff or with insufficient full-time staff.

Educational activities

In 1978/79, the branch organized 90 workshops and seminars throughout the province for municipalities dealing with a variety of planning topics. Staff of the branch also participated in 53 other forums sponsored by various public agencies and private organizations.

Technical assistance

CPAB offers professional planning assistance to many Ontario municipalities on a no-cost consultant basis. During 1978/79, 13 official plan documents (new or major amendments) were produced; 38 zoning bylaws or bylaw amendments; 35 terms of reference for planning studies; and 29 other documents.

The branch also reviews draft planning documents on request, prior to their submission to the ministry or the Ontario Municipal Board for approval.

Financial assistance

CPAB administered \$1.32 million in grants to assist municipalities with limited financial resources and planning staff to embark upon or complete planning programs.

In 1978/79, 120 municipalities and 10 joint planning boards received provincial commitments for \$1.25 million. These funds were partially released during the fiscal year and the outstanding amounts will be provided to municipalities upon the completion of individual planning studies.

The commitments were given to produce a variety of documents and to assist in the costs of completing planning programs. Among the 131 documents to be produced are the following:

Official plan documents (new or revised, major amendments or secondary plans)	57
Zoning bylaw documents (new or revised, major amendments; bylaws to replace minister's zoning orders)	60
Special/other planning studies	14

The branch also provided \$82,848 to facilitate the administration of planning activities in 15 planning areas containing unorganized territories in Northern Ontario.

Other activities

The branch recommended to the minister the establishment of, or alterations to, planning areas in 33 cases. Advice was provided on the definition, constitution and procedures of various planning boards.

Comments were provided on a selective basis to the plans administration division from a local perspective on the appropriateness and adequacy of planning documents submitted for approval.

Branch staff actively represented the ministry on a number of planning committees and performed a liaison role with federal agencies and other provincial ministries located in these regions, as well as the local municipalities and public on matters of ministry concern.

Community renewal branch

The community renewal branch is responsible for administering the following provincial and federal/provincial programs designed to upgrade the existing housing stock in Ontario and improve the total urban environment.

Ontario Home Renewal Program (OHRP)

OHRP provides per capita grants to municipalities to administer directly as loans to owner-occupants whose adjusted annual family income is no greater than \$12,500. The grants are for the repair of faulty structural and sanitary conditions and the upgrading of the plumbing, heating, insulation and electrical systems of the residences.

In 1978/79, 411 Ontario municipalities received per capita grants totalling \$19.1 million. Since OHRP commenced in late 1974, 615 municipalities have entered the program.

In unorganized communities, OHRP is administered through provincial northern affairs offices. Homeowners in these areas received 169 loans totalling \$934,000 in 1978/79.

Ontario Downtown Revitalization Program

This program is designed to help eligible municipalities with a maximum population of 125,000 receive public investment for seeding projects to restore confidence in a community's core area.

Subject to the availability of funds, the province will provide assistance in the form of partially recoverable loans up to a maximum two-thirds of the approved cost of the project. Such a project must generate additional revenue to the municipality in the form of rents and/or taxes.

Eligible costs include:

- The acquisition and/or clearance of land for a revitalization project.
- Acquisition and rehabilitation of an existing key anchor building.
- Installation of a public open or covered mall or semi-mall.
- Improvement to ancillary services such as water, sewers and/or roads where such improvement will result in revitalization.

Total provincial recovery will be limited to 110 per cent of the initial two-thirds contribution. However, repayment is contingent upon additional revenue being created for the municipality. There is no firm period for this loan.

This program was announced by the minister in September, 1976. At the present time, one project has been completed (Cornwall-Pitt Street Mall), four projects are under construction (Cornwall Square, Sarnia-Kenwick Place [Phase I], Thunder Bay and Vanier) and four municipal projects have received ministerial approval-in-principle (Barrie, Brantford, Sarnia [Phase II] and Tillsonburg).

Main Street Revitalization Program

In August, 1978, the minister announced the Main Street Revitalization Program, which can help small Ontario communities with a population of 30,000 or less improve and upgrade their downtown areas using the business improvement area (BIA) concept as a starting point.

The province will provide front-end funding toward physical improvement and parking projects in accordance with business improvement area plans for the downtown, an approach that permits implementation of a comprehensive project which requires financing over a maximum 10-year period without placing a major financial burden upon the business community.

The maximum provincial loan is \$150,000 to one municipality.

Municipal applications will be reviewed on a first come, first served basis, subject to the availability of provincial funds. The Main Street Revitalization Program has a total provincial budget of \$5 million until March 31, 1981.

Community services contribution program (Neighborhood Improvement Program component)

Under recent amendments to the National Housing Act, the Community Services Contribution Program has been established with provisions for assistance to municipalities to undertake neighborhood improvement projects. This broader program replaces, for example, the former Neighborhood Improvement Program.

Under a federal/provincial operating agreement, the ministry will administer and allocate funds to municipalities for neighborhood improvement purposes. The first allocations were announced in 1979.

Discussions will be held with the municipal liaison committee to establish municipal eligibility and selection criteria for neighborhood improvement allocations under the Community Services Contribution Program for 1980.

The community renewal branch also provides services related to:

- Business improvement areas: there are 105 active BIAs in Ontario.
- Property standards bylaws which have been adopted in 112 municipalities.

Project planning branch

The project planning branch was formed in April, 1977. It is staffed by a group of community planners, urban designers, engineers, environmental planners, economic and social planners and also contains a small integral design and drafting unit which works closely with the planning staff.

The branch provides a practical and comprehensive community planning service to the ministry with respect to specific undertakings in the government. This work has consisted of a wide variety of different projects of varying sizes and scales, both short-term and ongoing, dealing with community design, environmental impact, economic and social conditions, site analysis, engineering and transportation considerations, regional planning and development, subdivision planning, and building design and layout.

In the past year projects dealt with:

- Detailed planning for large-scale urban development, e.g. Malvern and Saltfleet.
- Economic and architectural analyses for small town core commercial areas.
- Planning advice on large scale ministry land holdings.
- Planning evidence and appearance before the Ontario Municipal Board in support of ministry land developments, e.g. Aurora.
- Regional planning appraisals for the community planning advisory branch, e.g. Lake Huron Northshore, Essex County, Middlesex County.
- Town planning growth and development strategies for the community planning advisory branch and the ministry, e.g. Blind River, Thunder Bay.
- Economic, social and industrial development appraisals for the ministry and the government, e.g. Edwardsburgh industrial development, and Eldorado nuclear location choices.
- Detailed layouts for small housing projects, e.g. Aurora, Hamilton, London, Windsor.
- Commercial/retail development and marketing advice to the plans administration division.
- Application of energy conservation to development projects in co-operation with the Ministry of Energy, e.g. the preparation of subdivision designs which economize on energy for heating, cooling and transportation. This work in turn has led to the application of energy conservation in other areas of urban development which are currently being investigated.
- Conceptual planning for the use of long-term land banks.

Community development wing

The community development wing provides developmental and technical resources to assist municipalities in the provision of assisted housing and land development through a number of federal and provincial financial programs. This program also develops land holdings held by Ontario Housing Corporation.

Housing development division

The ministry, through the community housing division, committed 1,500 housing units for development throughout Ontario under Sec. 43 of the National Housing Act.

During the year 1,499 units were completed and construction began on 1,105 units.

The ministry also entered into agreements with private landlords under Sec. 44.1A of the NHA for 772 housing units.

Financial support was provided for community-sponsored housing projects comprising 2,522 units. Of these, 755 units were made available through the Rent Supplement Program under Sec. 44.1B of the NHA.

In co-operation with Central Mortgage and Housing Corporation, the ministry initiated 269 rural housing units under Sec. 40 of the NHA. This program is administered for the partnership by the federal government.

Assistance to builders was provided for 4,981 units under the Ontario Rental Construction Grant Program to aid in production of moderately-priced rental housing.

Technical services division

The technical services division provides consultative services to assist and advise municipalities, the ministry and its crown agencies in providing rental accommodation for low and modest income groups. Expertise within the division includes architecture, engineering, appraisal and research and development services.

During the year, the chief architect's branch was directly involved in the design and development of 57 OHC rental projects and provided architectural comment and review on 65 proposals submitted under various ministry programs. In addition, landscape inspection services were provided on 80 construction projects.

The chief engineer's branch provided contract administration on 59 OHC rental projects as well as 55 subdivision servicing contracts.

The chief appraiser's branch carried out 130 land appraisals in 73 municipalities. Budget estimates and appraisals were provided for OHC rental projects. Land benchmarks were established for 12 municipalities and appraisals for 196 foreclosures were completed.

The research and development section under the ministry's energy management program undertook or coordinated 13 projects, primarily in the space conditioning and solar energy field. The ministry's metric conversion program was continued through information dissemination and staff training seminars.

Community land development division

Until March 31, 1979, the ministry, through the community land development division, undertook the development and marketing of lands held by the province. At year's end, plans were under way to disband the division. With the exception of the surveys section, all functions of the division were to be assumed by the newly formed land development wing.

During the last year of operation, draft plans of subdivision were approved in the municipalities of Hamilton (Mohawk Gardens) and Arnprior (278 land units). In addition, plans of subdivision were registered in the municipalities of Aurora, Guelph, London, Metro Toronto (Malvern), Stoney Creek (Saltfleet), and Windsor (1,592 land units).

Servicing contracts were approved in Aurora, Guelph, London, Metro Toronto (Malvern), Stoney Creek (Saltfleet) and Windsor (2,417 land units).

Under the municipal land development program, the province, in co-operation with the federal government, was available to assist municipalities in acquiring and developing land for housing purposes. Commitments totalling \$11.1 million were made to Ottawa, the Region of Peel, Toronto, Metro Toronto, White River and Windsor.

Residential land sale calls were issued in 10 municipalities—Windsor, Hamilton, Ottawa, Brockville, London, Scarborough, Aurora, Kingston, Timmins and Dryden—with a potential of 1,514 housing units. In addition, 13 sites (industrial, institutional, commercial and surplus) were sold in Metro Toronto (Malvern), Kitchener, Windsor, Cambridge, Hamilton and Nanticoke.

During the second year of operation, provincial grants totalling \$483,000 were made available to 1,461 purchasers under the Assisted Home Ownership Program/Home Ownership Made Easy (AHOP/HOME) program.

To assist municipalities in identifying their housing requirements the surveys section, on request, completed municipal housing statements for those municipalities under 10,000 in population or assisted housing studies for larger centres. The number of studies completed during the year was 85, with 90 under way at the year end.

The division's North Pickering land acquisition and management branch was responsible for finalizing the purchase of the remainder of the lands in the North Pickering development project and the subsequent management of these lands.

At year's end, 139 of the 182 hamlet properties had been returned to private ownership.

Final settlements were reached during the year with 28 former owners of properties which had been expropriated; settlements for 155 properties remain outstanding.



Office of the
Chairman

Ontario
Housing
Corporation

101 Bloor Street West
Toronto Ontario
M7A 2N5

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF HOUSING

SIR:

It is with great pleasure, on behalf of the Board of Directors, to present the Annual Report and Statement of Accounts of Ontario Housing Corporation and Ontario Student Housing Corporation for the year ended December 31, 1978. As you are aware, the latter corporation was dissolved on June 30 of the subject year, with its responsibilities being assumed by the former corporation, and this fact is reflected in the report.

Respectfully submitted,


A. J. TRUSLER
Chairman of the Board

Ontario Housing Corporation

Board of Directors

A. J. Trusler, chairman
Douglas J. Beesley,
vice-chairman and general manager
Mrs. Twyla E. Hendry
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John C. Stefanini

Report of the chairman of the board

As 1978 drew to a close, the corporation was entering a period of transition with government housing programs taking a new direction. The federal government indicated that in future it would not be making capital cost loans available to provincial governments for public housing, although subsidies would continue for all existing projects.

A new emphasis on non-profit rental housing was being proposed, with a portion of the units being made available to tenants on a rent-geared-to-income basis, in return for government assistance.

This concept has merit. Most people would agree that it is preferable to mix low-income tenants with those paying market rent, a key factor in the success of the Rent Supplement Program.

While there will still be financial arrangements available for the province and municipalities to sponsor public housing, the non-profit thrust is yet another indicator that the government is reducing its involvement in actual construction of public housing.

In future, OHC may participate in provincially-sponsored non-profit rental housing where a need has been identified but not met by municipal or private non-profit corporations or co-operatives. Such projects, incorporating both market and geared-to-income-rents, could be managed directly by OHC or through housing authorities.

At this time of change it would be appropriate to dwell on OHC's record, past and present. Some 6,000 rent-geared-to-income units were being operated in about 40 municipalities when OHC was formed in 1964. Today, the corporation is responsible, either directly or through housing authorities, for the administration of more than 90,000 assisted housing units in some 300 communities across Ontario.

Translated into human terms, the portfolio is providing shelter for some 350,000 persons. I would like to compliment the staff of OHC and the members and employees of the housing authorities, who administer the portfolio according to over-all policies and procedures established by the board of directors, for the manner in which they carry out the complex management function. At year's end, 57 housing authorities were responsible for the day-to-day management of more than 54,000 units of the family and senior citizen accommodation referred to above. These authorities have demonstrated their ability to adapt to the changing role that has been required of them as the role of OHC has evolved over the years and their contribution is acknowledged with appreciation.

The responsibilities of Ontario Student Housing Corporation were transferred to OHC during the year as part of the government's efforts to reduce the number of crown agencies.

A highlight of 1978 was the completion of Canada's first apartment building designed to be heated by the sun. This 29-unit senior citizen development in Aylmer was built by the corporation, with the co-operation of Central Mortgage and Housing Corporation, the Ministries of Housing and Energy, Aylmer and the National Research Council. It is gratifying to see OHC a pioneer in the field of solar energy.

In conclusion, I would thank my colleagues on the board of directors for their support during the year, and the staffs of the corporation, the housing authorities and the Ministry of Housing for their dedication.

A. J. Trusler,
chairman

Ontario Housing Corporation

Ontario Housing Corporation, in co-operation with the three levels of government, provides rent-geared-to-income housing for families and senior citizens with low incomes. It is responsible for managing the rental properties, either directly or through agreements with local housing authorities. OHC also acquires the use of accommodation in properties not owned by the corporation, through rent supplement programs.

Assisted housing production

During the year, construction began of 1,291 units.

A total of 40 tender calls were issued for a total of 1,353 units.

Thirteen sites were acquired by the Ministry of Government Services on behalf of OHC for senior citizen housing.

Rent Supplement Program

The corporation secured 1,933* units for the Rent Supplement Program under which accommodation is arranged in units owned by the private sector, bringing the total number of units under the program to approximately 10,816.

*Figures elsewhere in this report may vary due to differences in fiscal years.

Completions

In 1978, there were 52 projects completed, with a total of 2,613 units.

Housing management

At year's end, the corporation had the following units in its portfolio:

Family	48,180
Senior citizen	33,500
Total	81,680

In addition, OHC was administering Rent Supplement Program agreements covering 10,816 units.

Tenant placement

New applications received, registered (Metro Toronto)	7,009
---	-------

New applications housed (Metro Toronto)	3,863
---	-------

Tenant placement waiting list as of Dec. 31, 1978:

Family	
Province	6,839
Metro Toronto	4,097
Total family	10,936
Senior citizens	
Province	10,617
Metro Toronto	887
Total senior citizens	11,504
Total waiting list	
Family and senior citizen	22,440
Total waiting list Dec. 31, 1977	26,168

Housing operations Ontario

At year's end, this branch was responsible for a portfolio of 52,312 units managed by 57 housing authorities and five direct management branches. A total of 2,272 units were added to the portfolio during 1978, and the number of housing authorities was increased by four.

The decentralization of the accounts payable system was substantially completed during 1978 and was followed by the installation of five terminal locations under the Operational Financial Information System (OFIS). The terminal locations were converted to the rent sub-system and four others were in the final process of conversion at year's end. Plans to convert accounts payable, rent supplement, budget and the general ledger were scheduled for 1979.

Housing operations Metro Toronto

The Operational Financial Information System (OFIS) designed to facilitate the accounting of budget, rent receivables and accounts payable became fully operational in three Metro Toronto district offices. At year's end, plans were being made to install the system at the seven remaining district offices.

The number of persons of all ages taking part in the 1978 summer recreation program reached more than 228,000, up from 173,000 in 1977. Activities included athletic events, arts, crafts, camping and educational trips.

At year's end, the Metro Toronto housing portfolio stood at more than 29,000 units under management. In addition agreements covering 4,189 units made available on a rent-geared-to-income basis under rent supplement initiatives were being administered.

Operational planning branch

By the end of the year the continuing program to reorganize the housing authorities had progressed to the point where 57 authorities with a total of 390 members were officially in operation in Ontario.

During the year, the branch provided assistance to Central Mortgage and Housing Corporation in making arrangements for the Ontario-related part of a nation-wide study on the Rent Supplement Program undertaken by consultants retained by the federal housing agency.

A summer play leadership program for families was carried out and recreation programs organized in 23 municipalities, including Metro Toronto. The activities were monitored during the year. A study of senior citizens in 20 selected housing authorities to establish an inventory of support resources and leisure services available was also completed.

An extensive program of professional development workshops, seminars and training courses for housing management staff and community relations workers was organized and implemented during the year.

Maintenance engineering branch

The preparation of plans and specifications, the calling of tenders and contract administration of major upgrading and remedial works at the projects under management were among the major activities of the branch.

Approximately 650 improvement and remedial designs were prepared by both in-house and external technical consultants with a value of more than \$12 million.

During the year, the branch set up an energy section to investigate and advise all housing managers on ways to conserve resources—fuel, water and electricity.

The safety program continued with the distribution of safety literature, safety letters on specific subjects, seminars and courses on building-safety audits.

ONTARIO HOUSING CORPORATION
Incorporated without share capital under
The Ontario Housing Corporation Act

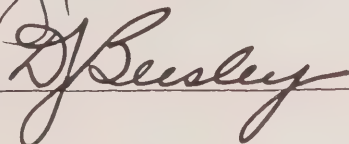
Balance Sheet
December 31, 1978

ASSETS	1978	1977
Accounts receivable	\$ 25,609,619	\$ 35,001,142
Operating funds due from the Treasurer of Ontario	41,803,689	38,265,702
Other assets	511,885	405,437
Mortgages and loans receivable	117,921,801	122,512,317
Investment in properties under agreements for sale, at cost	5,606,773	6,846,669
Land leased, at cost	41,677,130	48,864,049
Investment in properties under development, at cost	184,919,484	208,374,135
Investment in Federal-Provincial properties, at cost, less accumulated amortization of \$2,475,640; 1977 - \$2,297,338 (Note 4)	12,573,822	12,598,231
Investment in rental housing properties on leased land, at cost, less educational institutions' equity of \$2,405,204 (Note 5)	65,896,932	-
Rental housing properties, at cost, less accumulated amortization of \$24,432,660; 1977 - \$20,129,052 (Note 6)	<u>1,214,550,518</u>	<u>1,125,030,000</u>
	<u>\$1,711,071,653</u>	<u>\$1,597,897,682</u>
Assets of mortgage guarantee and property damage funds (Schedule 1)	<u>\$ 1,665,408</u>	<u>\$ 1,530,812</u>

See notes to financial statements.

On behalf of the Board:

 Chairman

 Vice Chairman and General Manager

LIABILITIES	1978	1977
Bank indebtedness	\$ 2,232,652	\$ 3,524,647
Accounts payable and accrued liabilities	39,535,627	38,602,389
Funds due to Ontario Student Housing Corporation	-	2,986,039
Holdbacks and deposits on construction contracts	10,107,905	13,398,979
Mortgages, debentures and similar indebtedness (Note 7)		
- Central Mortgage and Housing Corporation	1,254,464,177	1,141,119,185
- Other	3,087,314	3,365,536
Capital indebtedness to the Treasurer of Ontario (Note 7)	358,604,762	349,198,216
Deferred income (Note 8)	43,039,216	45,702,691
	<u>\$1,711,071,653</u>	<u>\$1,597,897,682</u>
Reserves of mortgage guarantee and property damage funds (Schedule 1)	\$ <u>1,665,408</u>	\$ <u>1,530,812</u>

ONTARIO HOUSING CORPORATION

Statement of Operating Funds Due from the Treasurer of Ontario
Year ended December 31, 1978

	1978	1977
Balance, beginning of year	\$ 38,265,702	\$ 27,386,867
Add: Net operating loss for the year	<u>89,345,959</u>	<u>78,276,257</u>
	127,611,661	105,663,124
Less: Funds provided during the year - net	<u>85,807,972</u>	<u>67,397,422</u>
Balance, end of year	<u>\$ 41,803,689</u>	<u>\$ 38,265,702</u>

See notes to financial statements.

ONTARIO HOUSING CORPORATION
Statement of Operations
Year ended December 31, 1978

	1978	1977
LOSS ON HOUSING OPERATIONS		
Provincial housing operations		
Rental revenue	<u>\$ 90,099,518</u>	<u>\$ 80,705,871</u>
Expenses		
Property operating expenses	129,939,233	118,522,837
Grants in lieu of municipal taxes	38,617,039	35,350,536
Amortization (Note 6)	<u>98,520,824</u>	<u>88,405,040</u>
	<u>267,077,096</u>	<u>242,278,413</u>
Loss on provincial housing operations (Note 9)	176,977,578	161,572,542
Rent supplement payments to landlords (Note 10)	<u>22,865,656</u>	<u>15,267,122</u>
	199,843,234	176,839,664
Less: Central Mortgage and Housing Corporation and municipalities shares	<u>114,332,742</u>	<u>101,585,915</u>
	85,510,492	75,253,749
Federal-Provincial housing operations loss (Schedule 2) (Note 11)	2,282,488	2,196,923
Provincial contributions to municipal housing projects (Note 12)	<u>3,678,490</u>	<u>2,485,353</u>
Loss on housing operations	<u>91,471,470</u>	<u>79,936,025</u>
OTHER REVENUE AND EXPENSES		
Other revenue		
Interest	15,644,249	11,838,763
Income from leased land	3,878,715	3,860,245
Gain from sale of real property	5,157,849	1,758,988
Administration and management fees	<u>29,120</u>	<u>54,965</u>
	<u>24,709,933</u>	<u>17,512,961</u>
Other expenses		
Interest	15,263,376	10,465,240
Administration (Schedule 3)	<u>7,321,046</u>	<u>5,387,953</u>
	<u>22,584,422</u>	<u>15,853,193</u>
Net other revenue	<u>2,125,511</u>	<u>1,659,768</u>
Net operating loss for the year	<u>\$ 89,345,959</u>	<u>\$ 78,276,257</u>

See notes to financial statements.

SCHEDULE 1

ONTARIO HOUSING CORPORATION
Mortgage Guarantee and Property Damage Funds
December 31, 1978

	1978	1977
ASSETS		
Mortgage guarantee fund		
Cash	\$ 62,488	\$ 46,595
Due from Ontario Mortgage Corporation	34,045	13,662
Securities, at cost, including accrued interest (Market value \$684,995; 1977 - \$782,518)	806,545	856,010
Mortgages receivable arising through assignment	392,024	273,849
Mortgages receivable arising from sale of real estate	<u>39,037</u>	<u>39,005</u>
	<u>1,334,139</u>	<u>1,229,121</u>
Property damage fund		
Cash	68,669	14,533
Due (to) from Ontario Housing Corporation	(13,244)	11,345
Securities, at cost, including accrued interest (Market value \$258,713; 1977 - \$271,602)	<u>275,844</u>	<u>275,813</u>
	<u>331,269</u>	<u>301,691</u>
	<u>\$1,665,408</u>	<u>\$1,530,812</u>
	Year ended Dec. 31, 1978	1978
RESERVES		1977
Mortgage guarantee reserve (Note 13)		
Fees	\$ -	\$ 828,130
Interest income	<u>102,382</u>	<u>501,519</u>
	102,382	399,137
Net gain on operation and sale of real estate	<u>2,636</u>	<u>1,227,267</u>
	<u>4,490</u>	<u>1,854</u>
	<u>105,018</u>	<u>1,334,139</u>
	<u>1,334,139</u>	<u>1,229,121</u>
Property damage reserve (Note 14)		
Provision	361,385	2,458,733
Interest income	<u>25,054</u>	<u>182,880</u>
	386,439	2,097,348
	<u>356,861</u>	<u>157,826</u>
Less: Property damage losses	<u>2,641,613</u>	<u>2,255,174</u>
	<u>2,310,344</u>	<u>1,953,483</u>
	<u>29,578</u>	<u>301,691</u>
	<u>\$134,596</u>	<u>\$1,665,408</u>
	<u>\$1,665,408</u>	<u>\$1,530,812</u>

See notes to financial statements.

SCHEDULE 2

ONTARIO HOUSING CORPORATION

Loss on Federal-Provincial Housing Operations
Year ended December 31, 1978

	1978	1977
Rental revenue	<u>\$ 8,411,497</u>	<u>\$ 8,159,305</u>
Expenses		
Property operating expenses	12,856,105	12,367,390
Grants in lieu of municipal taxes	2,709,701	2,483,748
Amortization (Note 4)	<u>3,679,797</u>	<u>3,711,963</u>
	<u>19,245,603</u>	<u>18,563,101</u>
Loss on Federal-Provincial housing operations	10,834,106	10,403,796
Less: Central Mortgage and Housing Corporation and municipalities shares	<u>8,551,618</u>	<u>8,206,873</u>
Federal-Provincial housing operations loss (Note 11)	<u>\$ 2,282,488</u>	<u>\$ 2,196,923</u>

See notes to financial statements.

SCHEDULE 3

ONTARIO HOUSING CORPORATION

Administration Expenses
Year ended December 31, 1978

	1978	1977
Salaries	\$ 485,948	\$ 1,658,172
General and office expenses	396,242	1,309,808
Transportation and communication	12,087	93,455
Supplies and equipment	113,089	206,795
Construction supervision	-	548,897
Other	17,463	207,664
Administrative support services (Note 15)	<u>14,771,547</u>	<u>8,872,565</u>
	15,796,376	12,897,356
Less: Recovery of administration expenses	<u>8,475,330</u>	<u>7,509,403</u>
	<u>\$ 7,321,046</u>	<u>\$ 5,387,953</u>

See notes to financial statements.

ONTARIO HOUSING CORPORATION

Notes to Financial Statements
December 31, 1978

1. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1978 presentation.

2. MERGER OF ONTARIO STUDENT HOUSING CORPORATION WITH ONTARIO HOUSING CORPORATION

The former Ontario Student Housing Corporation was dissolved by The Ontario Student Housing Corporation Act, 1978 to take effect on the close of business on June 30, 1978. On that date, its assets amounting to \$81,671,153 and corresponding liabilities, as well as all rights and obligations were vested in Ontario Housing Corporation. Accordingly, the Ontario Housing Corporation Balance Sheet as at December 31, 1978 includes all assets and liabilities of the former Corporation and the Ontario Housing Corporation Statement of Operations for the year ended December 31, 1978 includes student housing operating results for the period from July 1, 1978 to December 31, 1978.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Investment in Federal-Provincial Properties

Land and building costs relating to Federal-Provincial partnership properties are amortized over the 50 year term of the corresponding partnership agreements.

(b) Investment in Rental Housing Properties on Leased Land

Building costs relating to student housing accommodation constructed on land leased from educational institutions are amortized over the terms of the land leases.

(c) Rental Housing Properties

Land and building costs relating to wholly owned provincial projects are amortized over the 50 year term of the corresponding indebtedness.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Deferred Income

Unrealized gains from the marketing of real property arise when mortgages receivable form part of the consideration on property sales. The gain portion is the excess of the marketing price over cost and this gain is taken into income as related mortgage principal is repaid.

(e) Capitalization of Costs

Carrying charges, consisting principally of interest and grants in lieu of municipal taxes, attributable to properties under development, are capitalized as part of the cost thereof.

(f) Supplies and Equipment

Furniture and equipment purchases for general office use are charged to supplies and equipment in the year of acquisition.

4. INVESTMENT IN FEDERAL-PROVINCIAL PROPERTIES

Federal-Provincial properties are operated on a partnership basis with Central Mortgage and Housing Corporation and forty-one municipalities. The balance reported as at the statement date is the Corporation's partnership investment less accumulated amortization. Partnership amortization charges are made up as follows:

	1978		1977	
	Province	C.M.H.C. and Municipalities	Province	C.M.H.C. and Municipalities
Principal repayments	\$178,302	\$ 656,242	\$160,900	\$ 665,484
Carrying charges	<u>635,522</u>	<u>2,209,731</u>	<u>615,419</u>	<u>2,270,160</u>
	<u>\$813,824</u>	<u>\$2,865,973</u>	<u>\$776,319</u>	<u>\$2,935,644</u>
Total amortization per Schedule 2		<u>\$3,679,797</u>		<u>\$3,711,963</u>

5. INVESTMENT IN RENTAL HOUSING PROPERTIES ON LEASED LAND

Twenty-two such properties provide accommodation to students throughout Ontario in eleven municipalities, administered by eleven universities or colleges and are situated on land leased from these educational institutions. When costs are fully amortized at the end of the lease terms, title to the buildings will be transferred to the respective educational institutions.

6. RENTAL HOUSING PROPERTIES

Amortization charges relating to wholly owned rental housing properties are made up as follows:

	1978	1977
Principal repayments	\$ 3,884,406	\$ 3,525,240
Carrying charges	<u>94,636,418</u>	<u>84,879,800</u>
Total amortization	<u>\$98,520,824</u>	<u>\$88,405,040</u>

The accumulated amortization shown on the balance sheet for 1978 includes \$419,202 which is related to a student housing project that had been transferred to Ontario Housing Corporation as of June 30, 1978.

7. MORTGAGES, DEBENTURES AND CAPITAL INDEBTEDNESS

To finance investments in real estate, and agreements for sale or mortgages arising from the sale of real estate, the Corporation borrows funds from two major sources, Central Mortgage and Housing Corporation and the Treasurer of Ontario. Such borrowings are repaid in varying amounts, depending upon agreement terms, over periods normally not in excess of 50 years.

8. DEFERRED INCOME

Deferred income is made up as follows:

	1978	1977
Unrealized gain from sale of real property	\$42,869,380	\$45,592,923
Miscellaneous	<u>169,836</u>	<u>109,768</u>
	<u>\$43,039,216</u>	<u>\$45,702,691</u>

9. LOSS ON PROVINCIAL HOUSING OPERATIONS

Provincial housing properties are owned and administered by Ontario Housing Corporation. Individual property operating statements are prepared for the benefit of Central Mortgage and Housing Corporation and two hundred and eighty municipalities.

10. RENT SUPPLEMENT PAYMENTS TO LANDLORDS

Under its rent supplement program, the Corporation provides rent-geared-to-income accommodation within the private sector to applicants from its waiting list. The cost of this program is shared with Central Mortgage and Housing Corporation and sixty-seven municipalities. As at December 31, 1978, there were 10,969 such units (1977 - 8,769 units) under contract with landlords throughout the province.

11. FEDERAL-PROVINCIAL HOUSING OPERATIONS LOSS

Federal-Provincial housing properties were developed under partnership agreements by Central Mortgage and Housing Corporation and are administered by Ontario Housing Corporation and thirty-five housing authorities throughout the province. Individual property operating statements are prepared for the benefit of Central Mortgage and Housing Corporation and forty-one municipalities. The loss reported in the Statement of Operations represents Ontario Housing Corporation's share only.

12. PROVINCIAL CONTRIBUTIONS TO MUNICIPAL HOUSING PROJECTS

In 1978 the Corporation contributed \$3,678,490 (1977 - \$2,485,353) to The Metropolitan Toronto Housing Company Limited towards operating costs for senior citizen apartment units.

13. MORTGAGE GUARANTEE RESERVE

The outstanding balance of approved lenders' mortgages guaranteed as at December 31, 1978 was \$38,579,628 (1977 - \$52,670,383).

14. PROPERTY DAMAGE RESERVE

The reserve is intended to cover repair costs relating to minor damage by fire, wind, water and vandalism.

15. ADMINISTRATIVE SUPPORT SERVICES

The Ministry of Housing provides central administrative support services to the Corporation. The charge for such support services was determined on a basis acceptable to both the Corporation and the Ministry.

16. CONTINGENCY

In June 1967, the Ontario Government passed The Condominium Act. The initial response to this new housing legislation from the private sector was limited and this prompted Ontario Housing Corporation to embark upon an active program, through Ontario Mortgage Corporation, of financing condominium development. Participation in the financing of more than 14,000 condominium dwellings was undertaken. As an incentive for several of the earlier projects, including Chapel Glen and Flemingdon Woods, comprising more than 2,500 units, Ontario Housing Corporation provided financial guarantees. The contracts for these latter two developments in Metropolitan Toronto included clauses whereby Ontario Housing Corporation agreed to purchase any units remaining unsold six months after substantial completion. Due to a slower than expected public acceptance of high-rise condominiums, Ontario Housing Corporation, under the agreements, became liable during 1972 to purchase the unsold units at these two locations. By mutual agreement with the construction companies, the Corporation's liability with respect to the purchase of the unsold units was deferred in exchange for a corresponding deferment of the companies' liability for interest on construction advances.

Although the construction advances referred to are carried as assets by Ontario Mortgage Corporation, Ontario Housing Corporation is financially responsible for any settlement with the construction companies that may be negotiated under the contract clauses described above. As at December 31, 1978, accrued interest on advances for Chapel Glen and Flemingdon Woods projects amounted to \$6,299,386 (1977 - \$6,462,257) and such interest has been included as income in the accounts of Ontario Mortgage Corporation.

17. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Corporation is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act. This legislation terminated on December 31, 1978.

18. SUBSEQUENT EVENT

By Order in Council 1269/79 dated May 2, 1979, the Lieutenant Governor in Council authorized the transfer of certain lands, mortgages and other assets from Ontario Housing Corporation to Ontario Land Corporation, including all the rights and obligations of Ontario Housing Corporation relating to these assets and including responsibility for the specific capital indebtedness attributable thereto. The effective date of the transfer is January 1, 1979. The value of assets and liabilities transferred amounts to approximately \$340 million.



Office of the
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2


To the Members, Ontario Housing Corporation, and
to the Minister of Housing.

I have examined the balance sheet of Ontario Housing Corporation as at December 31, 1978 and the statements of operations and operating funds due from the Treasurer of Ontario for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1978 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

In accordance with section 12 of The Ontario Housing Corporation Act, a report on the audit has been made to the Corporation and to the Minister of Housing.

Toronto, Ontario,
May 25, 1979.


F.N. Scott, F.C.A.,
Provincial Auditor.

ONTARIO STUDENT HOUSING CORPORATION
Incorporated without share capital under The Housing Development Act


Balance Sheet
June 30, 1978

	June 30, 1978 (6 months)	Dec. 31, 1977 (12 months)
ASSETS		
Cash	\$ 582,489	\$ 311,685
Accounts receivable	104,547	135,294
Prepaid expense	79,280	-
Funds due from Ontario Housing Corporation	-	2,986,039
Mortgage receivable	3,452,153	3,458,969
Investment in rental housing properties on leased land, at cost, less educational institutions' equity of \$2,220,556; 1977 - \$2,104,481 (Note 2)	66,081,580	66,451,904
Rental housing property, at cost, less accumulated amortization of \$419,202; 1977 - \$387,045 (Note 3)	<u>11,371,104</u>	<u>11,403,261</u>
	<u><u>\$81,671,153</u></u>	<u><u>\$84,747,152</u></u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 128,656	\$ 2,948,791
Funds due to Ontario Housing Corporation	65,591	-
Debentures and similar indebtedness - Central Mortgage and Housing Corporation	72,879,135	73,058,676
Capital indebtedness to the Treasurer of Ontario	8,460,491	8,517,264
Deferred income (Note 1a)	<u>137,280</u>	<u>222,421</u>
	<u><u>\$81,671,153</u></u>	<u><u>\$84,747,152</u></u>

See notes to financial statements.

On behalf of the Board:


Director


Director

ONTARIO STUDENT HOUSING CORPORATION

Statement of Funds Due from Ontario Housing Corporation Period ended June 30, 1978

	June 30, 1978 (6 months)	Dec. 31, 1977 (12 months)
Funds due from (due to) Ontario Housing Corporation, beginning of period	\$ 2,986,039	\$ (774,507)
Add: Net operating (profit) loss for the period	<u>(53,357)</u>	<u>19,384</u>
	2,932,682	(755,123)
Add (Less): Funds transferred between Corporations during the period - net	<u>(2,998,273)</u>	<u>3,741,162</u>
Funds due from (due to) Ontario Housing Corporation, end of period	<u><u>(65,591)</u></u>	<u><u>\$2,986,039</u></u>

See notes to financial statements.

ONTARIO STUDENT HOUSING CORPORATION

Statement of Operations
Period ended June 30, 1978

	June 30, 1978 (6 months)	Dec. 31, 1977 (12 months)
NET REVENUE ON HOUSING OPERATIONS 30-35 Charles Street, Toronto		
Rental revenue	<u>\$1,080,544</u>	<u>\$2,016,658</u>
Expenses		
Property operating expenses	429,317	657,609
Grants in lieu of municipal taxes	264,505	502,251
Amortization (Note 3)	<u>361,429</u>	<u>722,857</u>
	<u>1,055,251</u>	<u>1,882,717</u>
Net revenue on housing operations	<u>25,293</u>	<u>133,941</u>
OTHER REVENUE AND EXPENSES		
Other revenue		
Interest	2,426,823	4,845,181
Gain from sale of real property (Note 1a)	<u>850</u>	<u>1,700</u>
	<u>2,427,673</u>	<u>4,846,881</u>
Other expenses		
Interest	2,361,816	4,836,759
Administration fee (Note 1b)	12,500	25,000
Directors' fees and expenses	<u>-</u>	<u>4,506</u>
	<u>2,374,316</u>	<u>4,866,265</u>
Net other revenue (expenses)	<u>53,357</u>	<u>(19,384)</u>
Total operating revenue	<u>78,650</u>	<u>114,557</u>
Transfer net revenue on housing operations to Deferred Income (Notes 1a and 3)	<u>25,293</u>	<u>133,941</u>
Net operating profit (loss)	<u>\$ 53,357</u>	<u>\$ (19,384)</u>

See notes to financial statements.

ONTARIO STUDENT HOUSING CORPORATION

Notes to Financial Statements
June 30, 1978

1. ACCOUNTING POLICIES

(a) Deferred Income

The deferred income account as at the statement date includes the unearned portion of gain from sale of real estate and net revenue deferred on the operations of the Charles Street property in Toronto.

(b) Administration Fee

Ontario Housing Corporation provides administrative services to Ontario Student Housing Corporation and charges the cost of these services to the latter Corporation. The fee agreed upon between the two Corporations was \$12,500 for the period ended June 30, 1978.

2. INVESTMENT IN RENTAL HOUSING PROPERTIES
ON LEASED LAND

The cost of student housing accommodation constructed on land leased from educational institutions is being repaid to the Corporation over the duration of the leases. When costs are fully repaid the buildings will become the property of the various educational institutions. Rental and maintenance activities on twenty-two such properties are administered by eleven universities or colleges in eleven municipalities throughout Ontario.

3. RENTAL HOUSING PROPERTY

This property which is located in Toronto to provide housing for University of Toronto students, is wholly owned by the Corporation and managed by a trust company. Land and building costs are being amortized over the 50 year term of the corresponding indebtedness. Operating losses are payable to the Corporation by the University and are reimbursable to the University from any net revenue of the project.

3. RENTAL HOUSING PROPERTY (cont'd)

The amortization charges consist of the following:

	June 30, 1978	December 31, 1977
Principal repayments	\$ 32,157	\$ 61,631
Carrying charges	<u>329,272</u>	<u>661,226</u>
Total amortization	<u>\$361,429</u>	<u>\$722,857</u>

4. DISSOLUTION OF THE CORPORATION

Ontario Student Housing Corporation was incorporated by Order in Council 3417/66, dated August 18, 1966, for the purpose of developing and managing student housing projects in the Province of Ontario. The Ontario Student Housing Corporation Act, 1978 dissolved the Corporation on June 30, 1978 and vested all its property, rights and obligations in Ontario Housing Corporation on that date.



Office of the
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2


To Ontario Student Housing Corporation and
to the Minister of Housing for the Province of Ontario.

I have examined the balance sheet of Ontario Student Housing Corporation as at June 30, 1978, and the statements of operations and funds due from Ontario Housing Corporation for the period then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at June 30, 1978 and the results of its operations for the period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made in accordance with section 17 of Order in Council 3417/66 under which the Ontario Student Housing Corporation was constituted.

Toronto, Ontario,
October 12, 1978.


F.N. Scott, C.A.,
Provincial Auditor.



Ministry
of
Housing

Ontario
Mortgage
Corporation

60 Bloor Street West
Toronto, Ontario
M4W 3B8

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF HOUSING

SIR:

On behalf of the Directors, I am pleased to
present to you the Annual Report and Statement
of Accounts of Ontario Mortgage Corporation
for the year ending March 31, 1979.

Respectfully submitted,

H. W. HIGNETT, M.B.E.
Chairman of the Board and President

Ontario Mortgage Corporation

Board of Directors

Herbert W. Hignett, MBE,
chairman of the board and president
A. J. Trusler, deputy chairman
and senior vice-president
Mrs. Maryon Brechin
Richard J. Hand
Prof. Samuel A. Martin
Arthur L. Moore
Charles C. Parsons
R. M. Dillon

Report of the chairman of the board

During the fiscal year, Ontario Mortgage Corporation ceased to play an active role as a mortgage lender. As a result of slow market conditions and a more-than-adequate supply of mortgage funds made available by the private sector, the corporation found it unnecessary to participate in the mortgage market. However, \$18.3 million was advanced as a result of commitments issued in previous years.

In the course of the year, OMC advertised for sale \$125 million of its mortgage portfolio. From that sale, \$110 million of mortgage assets was sold, with OMC retaining \$29 million to administer on behalf of the investors.

At year's end, OMC was administering \$899 million of mortgage and leasehold assets, including \$250 million administered on behalf of Ontario Housing Corporation.

As a result of the slow market conditions, the corporation acquired a substantial number of units by means of mortgage default or quit claim. As market conditions dictated, acquired properties were leased to tenants or sold on the open market. Since dealing with acquired real estate is a relatively new area for mortgage lenders, a concentrated effort was made to train staff in securing and marketing properties.

With the natural attrition of mortgages and the sale of mortgage assets, OMC was able to reduce staffing requirements from 108 to 98.

On behalf of the board of directors, I would like to express my appreciation to the staff of OMC for their dedication and loyalty throughout the year.

H. W. Hignett
Chairman

Ontario Mortgage Corporation

OMC administers mortgages and leases committed originally under various ministry programs to assist moderate and lower income groups in acquiring adequate accommodation.

At year's end, mortgage and leasehold assets under administration totalled \$899 million, consisting of 44,500 accounts. This total included Ontario Housing Corporation's mortgage and lease portfolio which is currently administered by Ontario Mortgage Corporation.

The OHC portfolio consists of first and second mortgages, land leases and agreements for sale, for a total value of \$250 million.

OMC's mortgage assets consisted of 37,526 accounts totalling \$621 million at year's end.

During the fiscal year, OMC issued no new commitments. However, \$18.3 million were advanced to builders as a result of commitments carried forward from previous years. Due to slow market conditions, \$2.8 million remained unadvanced at year's end.

OMC, in consultation with the Treasurer of Ontario, offered for sale \$125 million of mortgage assets. As a result of this sale, \$110 million of mortgages were sold to the private sector. At year's end, \$29 million of these assets were being administered by OMC on behalf of the investors.

At March 31, 1979, OMC held title to 1,242 units as a result of mortgage default or quit claim. This total is comprised of 677 single family and condominium units and five apartment buildings representing 565 units. As market conditions dictate, these properties were being leased to tenants or sold on the open market.

ONTARIO MORTGAGE CORPORATION

Balance Sheet
March 31, 1979

	1979	1978
ASSETS		
Cash	\$ 4,153,568	\$ 6,185,971
Funds on deposit with the Treasurer of Ontario	7,833,422	11,309,691
Securities (Note 3)	9,062,345	-
Accounts receivable	421,310	412,274
Mortgages (Notes 4 and 6)	591,968,571	740,495,468
Real estate (Notes 5 and 6)	<u>31,228,740</u>	<u>15,849,063</u>
	<u>\$644,667,956</u>	<u>\$774,252,467</u>
Assets of Mortgage Contingency Fund	<u>\$ -</u>	<u>\$ 10,624,748</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,832,063	\$ 5,428,011
Mortgages payable (Note 7)	5,886,481	5,906,858
Advances from the Treasurer of Ontario (Note 8)	<u>630,039,011</u>	<u>758,162,400</u>
	<u>639,757,555</u>	<u>769,497,269</u>
SHAREHOLDERS' EQUITY		
Capital stock - authorized and issued 10 shares, no par value	10	10
Retained earnings	<u>4,910,391</u>	<u>4,755,188</u>
	<u>4,910,401</u>	<u>4,755,198</u>
	<u>\$644,667,956</u>	<u>\$774,252,467</u>
Reserve of Mortgage Contingency Fund	<u>\$ -</u>	<u>\$ 10,624,748</u>

See accompanying notes to financial statements.

On behalf of the Board:

H. M. S. S. S. S. Director

G. S. S. S. S. Director

ONTARIO MORTGAGE CORPORATION

Statement of Earnings and Retained Earnings
Year ended March 31, 1979

	1979	1978
REVENUE		
Interest (Note 9)	\$68,185,196	\$70,717,997
Other	<u>721,028</u>	<u>644,699</u>
	<u>68,906,224</u>	<u>71,362,696</u>
EXPENSES		
Interest	63,309,961	66,044,893
Administration (Schedule 1)	2,514,392	2,418,359
Loss on real estate operations	1,393,668	-
Provision for mortgage and real estate losses (Note 6)	<u>1,533,000</u>	<u>-</u>
	<u>68,751,021</u>	<u>68,463,252</u>
EARNINGS BEFORE THE FOLLOWING	155,203	2,899,444
Contribution to Mortgage Contingency Fund	<u>-</u>	<u>1,443,643</u>
Net earnings for the year	155,203	1,455,801
Retained earnings, beginning of year	<u>4,755,188</u>	<u>3,299,387</u>
Retained earnings, end of year	<u>\$ 4,910,391</u>	<u>\$ 4,755,188</u>

See accompanying notes to financial statements.

SCHEDULE 1

ONTARIO MORTGAGE CORPORATION

Administration Expenses
Year ended March 31, 1979

	1979	1978
Salaries	\$1,363,937	\$1,410,257
Employee benefits	168,256	131,661
Transportation and communication	89,141	65,995
General and office services	874,516	755,119
Supplies and equipment	<u>18,542</u>	<u>55,327</u>
	<u>\$2,514,392</u>	<u>\$2,418,359</u>

See accompanying notes to financial statements.

ONTARIO MORTGAGE CORPORATION

Notes to Financial Statements
March 31, 1979

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Interest

In the provision of primary and secondary financing for moderate income families, the Corporation's interest lending rates have been set by the Province of Ontario. Where lending rates are lower than the Corporation's borrowing rates, resulting losses arising from lending at negative interest margins are provided for in the provincial annual estimates.

(b) Investments

(i) Securities

Bonds are stated at cost plus accrued interest.

(ii) Mortgages

Mortgages are stated at cost, which includes amounts advanced, interest capitalized and accrued, taxes and other charges, less repayments and unamortized prepayments of mortgage interest.

(iii) Real Estate

Real estate acquired upon default by mortgagors is carried at cost. Cost includes the mortgage receivable balance, accrued interest thereon, amounts paid to acquire title to the property, and maintenance and improvements costs, net of rental revenue. No depreciation is charged on acquired real estate.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

A Mortgage and Real Estate Allowance for mortgage and real estate losses is deducted from the applicable investment on the balance sheet. Net gains or losses realized on disposal of real estate and mortgages are recorded in the Mortgage and Real Estate Allowance.

(c) Supplies and Equipment

Furniture and equipment purchases for general office use are charged to supplies and equipment in the year of acquisition.

2. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1979 presentation.

3. SECURITIES

The securities are shown as assets of Ontario Mortgage Corporation whereas in prior years they have been shown as assets of the Mortgage Contingency Fund. The Fund was originally created by contributions of 1% of all mortgage loans committed and paid for by borrowers.

	1979	
	<u>Stated Value</u>	<u>Market Value</u>
Province of Ontario and Ontario Hydro Bonds	\$8,833,177	<u>\$8,040,311</u>
Accrued Interest	<u>229,168</u>	
	<u>\$9,062,345</u>	

4. MORTGAGES

(a) Mortgages as at March 31, 1979 consist of the following:

	1979	1978
National Housing Act	\$ 83,241,537	\$105,351,393
Miscellaneous Insured	-	146,339
Uninsured	501,374,166	619,100,028
Accrued Interest and Taxes	<u>13,191,828</u>	<u>15,897,708</u>
	597,807,531	740,495,468
Mortgage and Real Estate Allowance	<u>5,838,960</u>	<u>-</u>
	<u>\$591,968,571</u>	<u>\$740,495,468</u>

(b) Sales of mortgages during the year ended March 31, 1979 amounted to \$109,500,465. The capital losses on these sales, have been charged to Mortgage and Real Estate Allowance. During the fiscal year ending March 31, 1980, the Corporation plans to sell additional mortgages as market conditions permit.

5. REAL ESTATE

As at March 31, 1979, the Corporation had acquired title to 665 properties (491 in 1978-79 and 174 in 1977-78) due to default by mortgagors. These properties consist of townhouses, condominium apartments, single family homes and rental apartment complexes.

5. REAL ESTATE (cont'd)

	As at March 31, 1979	As at March 31, 1978
Acquisition costs of properties - title held by the Corporation	\$24,877,874	\$13,767,676
Properties held under Power of Sale	<u>11,128,195</u>	<u>2,081,387</u>
	36,006,069	15,849,063
Mortgage and Real Estate Allowance	<u>4,777,329</u>	<u>-</u>
	<u>\$31,228,740</u>	<u>\$15,849,063</u>

Subsequent to the year end, 93 additional properties costing \$3,480,391 were acquired and a foreclosure action was begun on a condominium apartment complex with a mortgage value of approximately \$9 million.

6. MORTGAGE AND REAL ESTATE ALLOWANCE

During the current fiscal year, the Mortgage Contingency Fund was discontinued and all the assets of the fund were transferred to and amalgamated with the assets of Ontario Mortgage Corporation. The fund reserve balance was transferred to a Mortgage and Real Estate Allowance account. As at March 31, 1979 the balance in this allowance account was made up as follows:

Transfer from Mortgage Contingency Fund Reserve	\$10,624,748
Provision for the year	1,533,000
Loss on sale of real estate	(260,256)
Insurance premium on mortgage sales	(659,779)
Discount on mortgage sales	<u>(621,424)</u>
Balance at March 31, 1979	<u>\$10,616,289</u>

6. MORTGAGE AND REAL ESTATE ALLOWANCE (cont'd)

The balance in the allowance account was deducted from the applicable investment as follows:

Mortgages	\$ 5,838,960
Real Estate	<u>4,777,329</u>
	<u>\$10,616,289</u>

7. MORTGAGES PAYABLE

These mortgages represent first mortgages outstanding on acquired rental apartment complexes. The Corporation had second mortgage investments outstanding on these properties and took over title to these properties together with the first mortgages in order to protect its investment.

8. ADVANCES FROM THE TREASURER OF ONTARIO

The Corporation borrows funds from the Treasurer of Ontario to finance mortgages receivable. Such borrowings are repaid in varying amounts, depending upon repayments by mortgagors, over periods normally not in excess of 50 years.

9. INTEREST

For the year ended March 31, 1979, negative margin losses of \$2,266,047 were recovered through the estimates process and included in interest revenue.

10. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate direct remuneration for the eight directors and one senior officer for the year ended March 31, 1979 was \$55,173.

11. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Corporation was subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act effective October 14, 1975. This legislation terminated on December 31, 1978.



Office of the
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2

To the Shareholders of Ontario Mortgage Corporation.

I have examined the balance sheet of Ontario Mortgage Corporation as at March 31, 1979 and the statement of earnings and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1979 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to Ontario Mortgage Corporation and to the Minister of Housing.

Toronto, Ontario,
August 10, 1979.


F.N. Soott, F.C.A.,
Provincial Auditor.



Office of the
Deputy Minister

Ministry
of
Housing

Hearst Block
Queen's Park
Toronto Ontario
M7A 2K5
416/965-3411

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF HOUSING

SIR:

I have the pleasure on behalf of the Board of Directors of submitting for your approval, for the fiscal year ending March 31, 1979, the Annual Report of Ontario Land Corporation and North Pickering Development Corporation. Due to reorganization, as you know, the responsibilities for the North Pickering project have been taken over by the first-named corporation and this is indicated in the report.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'R. M. Dillon', with a large, stylized flourish on the left side.

R. M. Dillon
Chairman of the Board

Ontario Land Corporation

Board of Directors

D. A. Crosbie, chairman*
R. M. McDonald, vice chairman
J. H. Joyce
A. J. Trusler
H. W. Hignett
W. Wronski
R. W. Riggs

As a result of a cabinet decision, the Ontario Land Corporation was transferred in June, 1978, to the Ministry of Housing from the Ministry of Treasury and Economics. The move resulted from the need to consolidate provincial land activities, ensuring that the planning, development and marketing of provincially-owned residential, commercial and industrial lands is carried out in a consistent and effective manner.

Under the Ministry of Treasury and Economics, the holdings of the corporation had consisted of lands in South Cayuga, and the new community sites of Townsend and North Pickering. In addition to these lands the newly organized corporation assumed responsibility for planning, development, marketing and financing of Ontario Housing Corporation lands held for residential, industrial and commercial development in various municipalities across the province.

Following these policy decisions, a land development wing was established within the ministry. As the operational arm of the OLC, the wing reports to the assistant deputy minister, land development, who is also the vice chairman and chief executive officer of the board, responsible for corporate operations.

A major activity of the new wing was staffing and organization preparatory to transfer of OHC lands to OLC on April 1, 1979, with attendant responsibilities for their planning, marketing, financing and development. A detailed evaluation of the assets and liabilities relating to the transferred lands was instituted, and recommendations on their future uses as well as the financial structure of the Ontario Land Corporation were made to the government.

The reorganization and rationalization of the land development function resulted in substantial staff reductions, providing more effective control and efficient use of financial and manpower resources.

Townsend Community

The project evaluation branch, which had responsibility for planning the Townsend new community, was integrated into the land development wing of the ministry in mid-year. The mandate of Ontario Land Corporation, transferred to the Ministry of Housing from the Ministry of Treasury and Economics on June 1, 1978, included planning and development responsibilities for Townsend.

A first stage development plan was prepared for a population of 5,000 people. This included a plan of subdivision containing approximately 1,600 housing units. The plan contained a proposal for a civic centre complex to accommodate a city hall for Nanticoke and administrative offices for the Regional Municipality of Haldimand-Norfolk, together with a neighborhood centre providing for commercial and institutional uses.

The development plan was formally presented to both regional and city councils and applications submitted for draft plan approval as well as official plan and zoning bylaw amendments.

Detailed design for major parkway systems and municipal services were initiated.

Liaison continued with a variety of federal, provincial, municipal and private sector agencies on such matters as:

- Property management and farm lease.
- Trunk water and sewage systems.
- Municipal and educational financial impact studies.
- Historic buildings and sites.
- Land titles.
- Marketing studies.

Government policy regarding start-up of housing construction in 1980 was enunciated in the legislature in December, 1978. The policy responded to the projected need for housing resulting from the commencement in May, 1980, of steel production at Stelco's new steel mill in Nanticoke, with an initial labor force of 1,350.

*D. A. Crosbie was chairman until Feb. 5, 1979, when he was replaced by R. M. Dillon.

ONTARIO LAND CORPORATION
Incorporated without share capital under The Ontario
Land Corporation Act, 1974

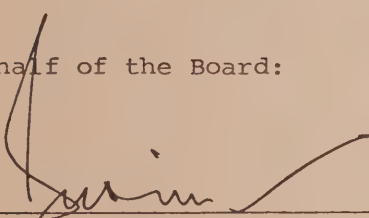
Balance Sheet
March 31, 1979

ASSETS

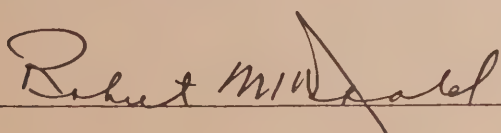
Cash	\$ 1,040,354
Accounts receivable	28,500,707
Note receivable - Ontario Development Corporation	793,695
Mortgages and loans receivable	121,695,479
Investment in properties under agreements for sale, at cost	4,202,779
Land leased, at cost	38,949,095
Investment in land (note 3)	481,104,984
	<hr/>
	<u>\$676,287,093</u>
Assets of mortgage guarantee fund (Schedule 1)	<u>\$ 1,358,285</u>

See notes to financial statements.

On behalf of the Board:



Director



Director

LIABILITIES

Accounts payable and accrued liabilities	\$ 10,582,865
Holdbacks and deposits on construction contracts	3,402,276
Mortgages, debentures and similar indebtedness	
Central Mortgage and Housing Corporation (note 4)	109,430,531
Other	1,400,160
Capital indebtedness to the Treasurer of Ontario (note 5)	
Interest bearing	109,925,221
Non-interest bearing	396,962,397
Deferred income	42,363,665
Retained income	2,219,978
	<hr/>
	<u>\$676,287,093</u>
Reserve of mortgage guarantee fund (Schedule 1)	<u>\$ 1,358,285</u>

ONTARIO LAND CORPORATION

Statement of Operations and Retained Income
Three months ended March 31, 1979
(note 1(c))

REVENUE

Interest	\$3,276,884
Income from leased land (note 2(a)(iii))	796,685
Net gain from sale of real property (note 2(a)(i))	<u>886,121</u>
	<u>4,959,690</u>

EXPENSES

Interest	2,622,891
Mortgage and lease administration	<u>116,821</u>
	<u>2,739,712</u>
Net operating income and retained income for the period	<u><u>\$2,219,978</u></u>

See notes to financial statements.

SCHEDULE 1

ONTARIO LAND CORPORATION

Mortgage Guarantee Fund
March 31, 1979
(note 1(c))

	<u>1979</u>
ASSETS	
Cash	\$ 24,262
Due from Ontario Mortgage Corporation	2,386
Securities, at cost, including accrued interest (market value \$706,626)	863,674
Mortgages receivable arising through assignment	428,773
Mortgages receivable arising from sale of real estate	<u>39,190</u>
	<u>\$1,358,285</u>

	Three months ended <u>March 31, 1979</u>	<u>1979</u>
RESERVES (note 6)		
Fees	\$ -	\$ 828,130
Interest income	<u>24,077</u>	<u>525,596</u>
	24,077	1,353,726
Net gain on operation and sale of real estate	<u>69</u>	<u>4,559</u>
	<u>\$24,146</u>	<u>\$1,358,285</u>

See notes to financial statements.

ONTARIO LAND CORPORATION

Notes to Financial Statements
March 31, 1979

1. SIGNIFICANT CHANGES IN OPERATIONS

- (a) Effective June 1, 1978, responsibility for the operations of the Ontario Land Corporation was transferred from the Ministry of Treasury and Economics to the Ministry of Housing by authority of Order in Council 1683/78.
- (b) An Act to amend The Ontario Land Corporation Act, 1974 received Royal Assent on December 15, 1978, expanding the objects and powers of the Corporation. The Corporation now plans, develops, manages, finances and markets its lands.
- (c) Effective January 1, 1979, certain lands, mortgages and other assets, formerly owned by the Ontario Housing Corporation, including all the rights and obligations of Ontario Housing Corporation relating to these assets and including responsibility for the specific capital indebtedness attributed thereto, were transferred to Ontario Land Corporation from Ontario Housing Corporation by authority of Order in Council 1269/79. The statement of operations and retained income and the schedule of the mortgage guarantee fund, reflect the transactions for the period January 1, 1979 to March 31, 1979 on the above transferred assets. Net operating income or losses will be carried forward as retained income or deficit of the Corporation. In respect of lands originally held by the Corporation, all costs and revenues from dates of property acquisition have been recorded as part of the cost of land.
- (d) Active planning and development of the new communities of Townsend and North Pickering has commenced. In addition, the Ontario Land Corporation is continuing the development of a substantial number of land projects, transferred from Ontario Housing Corporation.

1. SIGNIFICANT CHANGES IN OPERATIONS (cont'd)

- (e) Capital advances and notes payable to the Treasurer of Ontario in the amount of \$396.9 million were changed from interest bearing to non-interest bearing during the fiscal year ended March 31, 1979.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Income Recognition

- i. Gain or loss from sale of real property is recognized when agreements of purchase and sale are unconditional and as payments on account of such agreements of purchase and sale are received.
- ii. Unrealized gain from sale of real property is carried forward as deferred income. Deferred income arises when mortgages receivable form part of the consideration on sales contracts. The deferred portion is the excess of the selling price over cost and it is taken into income as mortgage principal is repaid.
- iii. Rental Income

Income from long term land leases to homeowners is taken into income as it is received. These leases may be converted to mortgages receivable at the option of the lessee. At the time of conversion, deferred profits, if any, are taken into income as mortgage principal is repaid. Income from the lessees on undeveloped land is applied to reduce capital costs.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Capitalization of Costs

i. Land Costs

- Each land project is recorded at its acquisition cost and carrying charges are capitalized including any principal, interest or grants paid in lieu of municipal taxes attributable to the land under development or held for future development. Capitalization also includes the costs of management and administration, less any revenues that may be recovered from land held for future development.
- Accumulated land costs for each project are pro rated on an acreage basis to each stage, subdivision, or phase under development.
- Land costs allocated to a phase are allocated to the components of a phase in proportion to each component's share of estimated net realizable value.
- Accumulated costs do not purport to represent future realizable values. However, all accumulated costs are taken into account and will be considered in determining the cost of land sales and any resulting gains or losses will be reflected at the time of sale.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Capitalization of Costs (cont'd)

ii. Servicing Costs

- Major or primary servicing costs are allocated to the stages, subdivisions and phases under development based on the benefit to the stage, subdivision or phase.
- Internal servicing costs are charged directly to the phase being serviced.
- Total phase servicing costs are allocated to the components of a phase in proportion to each component's share of estimated net realizable value.

iii. Administration Expenses, Marketing Costs and Interest Costs on Servicing

- Administrative and marketing overhead costs are allocated to each phase as a percentage of servicing costs.
- Interest costs on servicing expenses are allocated to each phase based on actual cash flows and interest rates charged.
- Total phase administrative, marketing and interest costs on servicing are allocated to the components of a phase in proportion to each component's share of estimated net realizable value.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Capitalization of Costs (cont'd)

iv. Each phase is treated as a separate cost centre.

v. Operating and Administrative Costs

- The Corporation obtains its operating and administrative support from the private sector or government agencies. In general, professional and technical services such as planning, architectural and engineering are provided by the private sector while administrative support services are provided by the Ministry of Housing.
- Charges for all such services are either capitalized as part of the development costs (see note 2(b)(iii)) or treated as a charge to operations, depending on the nature of the service.

3. INVESTMENT IN LAND

As at March 31, 1979, approximately \$397.2 million of the Corporation's investment in land represented land costs plus interest carrying charges. The remaining \$83.9 million is the cost of servicing land.

A further breakdown of the total investment in lands and carrying charges to March 31, 1979, follow.

3. INVESTMENT IN LAND (cont'd)

(a) Total Investment in Land

New Communities:

North Pickering	\$268,325,688
Townsend	41,455,427
Other	<u>171,323,869</u>
	<u>\$481,104,984</u>

(b) Carrying costs consisting of interest capitalized included above:

New Communities:

North Pickering	\$66,415,736
Townsend	10,314,694
Other	<u>11,539,886</u>
	<u>\$88,270,316</u>

4. MORTGAGES, DEBENTURES AND SIMILAR INDEBTEDNESS

To finance investments in real estate and agreements for sale on mortgages arising from the sale of real estate, the Corporation borrows funds from two major sources - Central Mortgage and Housing Corporation and the Treasurer of Ontario. Such borrowings are repaid in varying amounts over periods not in excess of 20 years.

5. CAPITAL INDEBTEDNESS TO THE TREASURER OF ONTARIO

(a) Notes payable, non-interest bearing

To finance investments in new community land sites, the Corporation issued a series of five-year notes; outstanding balances at March 31, 1979, are as follows:

Promissory note payable maturing March 31, 1980	\$315,650,000
Promissory note payable maturing March 31, 1981	12,500,000
Promissory note payable maturing March 31, 1983	4,100,000
Promissory note payable maturing September 30, 1983	12,912,397
	<hr/> 345,162,397

(b) Other Advances

i. Non-interest bearing

To finance investments in land, other than new community sites, the Corporation borrows money in the form of annual advances from the Treasurer of Ontario.

Effective January 1, 1979 these advances became non-interest bearing by authority of Order in Council 1858/79. Total non-interest bearing advances at March 31, 1979, were

51,800,000

Total non-interest bearing indebtedness
to the Treasurer of Ontario

\$396,962,397

5. CAPITAL INDEBTEDNESS TO THE TREASURER OF ONTARIO (cont'd)

(b) Other Advances (cont'd)

ii. Interest bearing

To finance the development of land projects the Corporation borrows funds from the Treasurer of Ontario and Central Mortgage and Housing Corporation. Interest bearing advances from the Treasurer of Ontario relate to services and revenue producing assets such as mortgages, leases and agreements for sale, and these advances bear interest at an average rate of 8.449 per cent. The total borrowing from the Treasurer for investment in services and revenue producing assets amounted to \$109,925,221 as at March 31, 1979.

The promissory notes referred to in note 5(a) are not secured and not assignable; they are redeemable, in whole or in part, at any time at the option of the Corporation. Effective October 1, 1978, these notes became non-interest bearing by authority of Order in Council 958/79. Prior to that time the notes bore interest at various rates; this interest was capitalized in accordance with the accounting policies of the Corporation.

6. MORTGAGE GUARANTEE RESERVE

This reserve was established to secure the contingent liability of the Corporation for guarantees given for mortgages provided by private sector lenders.

The outstanding balance of approved lender mortgages guaranteed as at March 31, 1979 was \$35,334,133.

7. CONTINGENCY

Certain owners of land whose property was expropriated by the Corporation have applied to the Land Compensation Board of Ontario for reassessment of the compensation paid on expropriation of their lands. This amount, which is to be determined by arbitration and negotiation, is estimated at a maximum of \$13 million.



Office of the
Provincial
Auditor

416/965-1381

Parliament Buildings
Queen's Park
Toronto Ontario
M7A 1A2

To the Board of Directors of the Ontario Land Corporation and
to the Minister of Housing.

I have examined the balance sheet of Ontario Land Corporation as at March 31, 1979 and the statement of operations and retained income for the period then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1979 and the results of its operations for the period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

In accordance with section 29 of The Ontario Land Corporation Act, 1974, a report on the audit has been made to the Corporation and to the Minister.

Toronto, Ontario,
November 5, 1979.


F.N. Scott, F.C.A.,
Provincial Auditor.

North Pickering Development Corporation

Board of Directors

R. M. Dillon, chairman
R. W. Riggs
W. Wronski
H. W. Hignett
H. J. Trusler

The board of directors, in conjunction with the Minister of Housing, made recommendations to the Government of Ontario respecting the reorganization and rationalization of the land development process in the province. The government accepted the recommendations, and following the decision to integrate the North Pickering project into the Ontario Land Corporation, the board members resigned, effective May 1, 1979.

As the staff support to the North Pickering Development Corporation had been seconded from the Ministry of Housing, they were reassigned within the ministry and the new land development wing.

The assets and liabilities of the North Pickering Development Corporation, consisting primarily of deferred planning costs, were written off March 31, 1979.

NORTH PICKERING DEVELOPMENT CORPORATION

Incorporated without share capital
under The North Pickering Development Corporation Act, 1974

Balance Sheet
March 31, 1979

ASSETS	1979	1978
Cash	\$ 3,482	\$ 3,790
Accounts receivable	1,068	760
Deferred plan development costs (Schedule 1 and Note 2)	<u>-</u>	<u>1,765,898</u>
	<u>\$ 4,550</u>	<u>\$ 1,770,448</u>

LIABILITIES

Accounts payable	\$ 4,550	\$ 4,550
Capital indebtedness to the Treasurer of Ontario (Note 3)	<u>-</u>	<u>1,765,898</u>
	<u>\$ 4,550</u>	<u>\$ 1,770,448</u>

See notes to financial statements.

On behalf of the Board:



Director



Director

Schedule 1

NORTH PICKERING DEVELOPMENT CORPORATION

Deferred Plan Development Costs
as at March 31, 1979

	1979	1978
Salaries and benefits	\$ -	\$ 513,620
Transportation and communication	-	9,957
Supplies and equipment	-	4,932
Other administrative expenses	-	40,067
Planning consultants and studies	<u>-</u>	<u>95,441</u>
	-	664,017
Interest on loan	<u>173,058</u>	<u>119,909</u>
	<u>\$ 173,058</u>	<u>\$ 783,926</u>
Deferred plan development costs written off (Note 2)		

See notes to financial statements.

Prior Years	Total
\$ 611,740	\$ 1,125,360
29,733	39,690
24,430	29,362
83,299	123,366
<u>186,200</u>	<u>281,641</u>
935,402	1,599,419
<u>46,570</u>	<u>339,537</u>
<u>\$ 981,972</u>	\$ 1,938,956
	<u>(1,938,956)</u>
	<u>-</u>

NORTH PICKERING DEVELOPMENT CORPORATION

Notes to Financial Statements
March 31, 1979

1. BASIS OF OPERATIONS

The Corporation was created to prepare the Plan for Development and develop the North Pickering Planning Area in accordance with the Plan. During the fiscal year ended March 31, 1979, the Corporation ceased operations and responsibility for the administration and development of North Pickering lands was transferred to the Ontario Land Corporation.

Title to lands in the North Pickering Planning Area continues to be held by the Ontario Land Corporation.

2. DEFERRED PLAN DEVELOPMENT COSTS

The Corporation followed the policy of capitalizing planning, development and administrative costs considered as applicable to the generation of income producing assets. All expenditures incurred from the inception of the Corporation on July 30, 1975 to March 31, 1979 were, therefore, accumulated as deferred plan development costs. On March 27, 1979, the Ministry of Housing received approval from the Management Board of Cabinet for the writing off by North Pickering Development Corporation of the deferred plan development costs.

3. INDEBTEDNESS TO THE TREASURER OF ONTARIO

The Corporation was financed by loans from the Treasurer of Ontario. On March 31, 1979, a transfer payment in the amount of \$1,938,956 was made by the Ministry of Housing in respect of North Pickering plan development to repay in full the indebtedness of the Corporation to the Treasurer of Ontario.

4. SUBSEQUENT EVENT

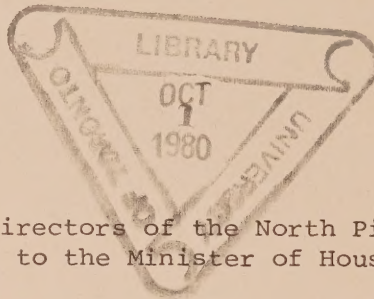
On May 22, 1979, the Corporation realized all of its assets and discharged all of its liabilities.



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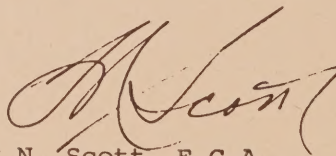
To the Board of Directors of the North Pickering Development Corporation and to the Minister of Housing.

I have examined the balance sheet of the North Pickering Development Corporation as at March 31, 1979 and the schedule of deferred plan development costs for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1979 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

In accordance with section 29 of The North Pickering Development Corporation Act, 1974, a report on the audit has been made to the Corporation and to the Minister.

Toronto, Ontario,
September 10, 1979.


F.N. Scott, F.C.A.,
Provincial Auditor.



Ontario

Ministry of
Housing